



Philadelphia Homeownership Center

U.S. Department of Housing and Urban Development

The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107-3389

CIRCULAR LETTER PH 99-06

July 02, 1999

TO: All Approved Mortgagees Doing Business in Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, , Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia

FROM: Brenda M. Laroche, Director, Processing and Underwriting Division

SUBJECT: Waiver Requests on Utility Connections

It has been the policy of the Department to require a property with individual water and/or sewer systems to connect to a public water or sewer system whenever feasible. In this regard, the Philadelphia Homeownership Center has been processing waiver requests of this policy based on our receipt of documentation demonstrating that the connection costs are prohibitive and that the existing systems were operating properly.

In light of the recent publication of the 4150.2 Valuation Analysis Handbook, we have decided to implement the processing guidelines outlined in this new Handbook with respect to connection to public utilities immediately instead of waiting to August 1, 1999 as referenced by this Handbook.

As a result, as of the date of this letter Direct Endorsement Underwriters are authorized to grant utility hook-up waivers in accordance with the procedures outlined in the 4150.2 Handbook. Therefore, if connection costs to the public or community system exceed 3% of the estimated value of the property, the existing on-site systems will be acceptable provided they are functioning properly and meet the requirements of the local health department. Formal waiver requests will no longer have to be submitted to the Homeownership Center for processing. All documentation related to the acceptance of the individual water and/or sewer system by the Direct Endorsement Underwriter should be contained in the case binder when it is submitted for mortgage insurance.

We appreciate your cooperation in complying with these policies. If you have any questions or comments, please direct them to via E:MAIL to BRENDA_M._LAROUCHE@hud.gov or by contacting the Technical Support Branch at (215) 656-0578, option #6.